

Affordable Alternatives to Predatory Loans

Last Updated: July 2021

This document is designed to point you to safe and affordable alternatives to high-cost loans. For more detailed information, refer to the full [Affordable Alternatives to Predatory Loans Resource Guide](#) (bit.ly/paydayalternativesil)

OPTION 1: GET HELP LOWERING BILLS

Homeowners	If you're having trouble paying your mortgage, contact a housing counselor and/or your mortgage servicer to talk about your options. Find a housing counselor near you here .
Renters	See Housing Action Illinois' site for updates, or rentervention.com for a focus on Chicago residence.
Car Payments, Medical payments	Contact your lender / medical provider to explore a potential deferment or payment plan.
Utilities	Contact your utility company to explain that you are experiencing a hardship. Government assistance programs include the Low Income Home Energy Assistance Program (LIHEAP) and the Percentage of Income Payment Plan (PIPP) program.
Broadband	The federal government's Emergency Broadband Benefit (EBB) program may be able to assist you in lowering your monthly payments. Check if you qualify and apply for the program here .
Student Loans	Payments on certain federal loans are suspended until Sept. 30, 2021. If in doubt about whether your loans are covered, contact your loan servicer(s) to ask about an income-driven repayment plan, a deferment, or a forbearance. A free online service called Summer can also help.
Automatic payments	For nonessentials, stop auto-pay or cancel automatic recurring payments.
Credit cards	Major credit card companies provide COVID assistance programs. Most companies will allow you to postpone paying your bill for a time without incurring late fees.
Child support	If you owe child support, the court may modify your obligation if you have lost your income or have another major hardship. The Greater Chicago Legal Clinic has a helpline: 312-796-3070. Illinois Legal Aid Online also has an online guide to help you with paperwork.
Accounts in collections	Request a payment plan or ask to adjust the plan. If a creditor or collection agency has sued you or is threatening to sue you, Legal Aid Chicago can help you or direct you to the legal aid for your area.
Free essentials	Many charities provide free food, clothing, and other essentials. Catholic Charities locations across Illinois offer assistance regardless of your religion.

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OPTION 2: ADDITIONAL INCOME SOURCES

Tax refunds and stimulus payments	File your taxes to get your tax refund. Seek assistance if needed, and make sure you have received your stimulus payments at GetMyPaymentIL.org .
Savings	Tap into any savings if necessary.
Church	Many churches provide financial assistance. Catholic Charities helps Illinoisans of any religion.
COVID-19 Funeral Assistance	The federal government now has a program to reimburse the costs of funerals for deaths attributed to COVID-19. Visit the website for more information.
Sell assets	Consider selling an item, like jewelry, antiques, etc. Poshmark is a widely used app for this.

OPTION 3: LOWER COST LOANS

Banks	See if your bank offers emergency loans or personal loans. If you do not have a bank account, visit Bank on Illinois for affordable options. CIBC Bank has an affordable (12.45% APR) personal loan called the EasyPath Personal Loan . You can apply for the loan by visiting one of CIBC's branches.
Capital Good Fund	Offers a crisis loan that charges only 5% APR, with no payments or interest charges for the first 3 months.
Great Lakes Credit Union	Offers a Cash in a Flash Loan, a \$500 personal loan at 33% APR.
Self-Help Credit Union	Offers a variety of different banking and loan products for people with good credit or people who want to build their credit.
Online loans	Not all online loans are safe, but members of the American Fintech Council adhere to responsible lending standards that charge at or below 36% APR. Personal loans include: Lending Club , Avant , Prosper , Best Egg , Upstart .
Lending Circles	In a Lending Circle, a small group of people chip-in every month and lend money to one another at no interest. Learn more here .

If you want additional financial coaching to help guide you through your options, check out [Capital Good Fund's](#) financial coaching hotline, 866-584-3651. Those in Chicago can try the [Financial Navigator Program](#) for free, live information on resources and help with creating a plan.

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WeProsper is a joint initiative of Woodstock Institute, New America Chicago, and The Chicago Urban League. The initiative educates lawmakers and the public about predatory financial practices that strip wealth from low-income communities, with a special focus on communities of color. In addition, the initiative provides resources to educate communities, as well as research to help build support for alternatives that build wealth in low-income communities. The initiative is currently funded by The Chicago Community Trust and J.P. Morgan Chase Foundation.